

NOTIFICATION OF BARE PERIOD

In August 2004, a law was passed which modified A.R.S. 36-2912(C) and prohibited Healthcare Group from enrolling an employer sooner than 180 days after the date that the employer's health insurance coverage under an accountable health plan was discontinued.

Effective September 27, 2008, HB2275 further revised A.R.S. 36-2912 (C) and prohibits Healthcare Group of Arizona (HCG) from enrolling an employer group sooner than ninety days (90) days after the date that the employer's health insurance coverage under an accountable health plan is discontinued.

The period without insurance coverage, called the "bare period," applies only to the business itself and not to individual employees. If a commercial carrier currently insures your group, the business will not be eligible for HCG coverage until the business has been without medical coverage for three months. If your business is currently uninsured but was covered by a commercial carrier prior to your application to HCG, your business must remain uninsured for the remainder of the "bare period" in effect at the time of your enrollment before you and your eligible employees can be enrolled in HCG. The bare period does not apply to political subdivisions.

I am a sole proprietor or only have one eligible employee. Am I or my one employee eligible to enroll in HCG?

Effective September 27, 2008, HB2275 A.R.S. 36-2912 (B) prohibits Healthcare Group from enrolling groups with only one eligible employee.

My business is currently uninsured and meets the bare period requirement, but many of my employees have their own insurance coverage or are covered under their spouse's policy. Does the bare period apply to us?

The bare period only applies to the business. If your business meets the "bare period," then you and your eligible employees will be able to enroll in HCG immediately – even if some of your employees have coverage from other sources.

I have been with HCG for many years, but last month our group was terminated for non-payment of premiums. We applied for re-enrollment a few days later. Since we were insured when we reapplied, are we required to wait three (3) months before our coverage begins again?

Yes. An Employer Group that is terminated for non-payment of premium is not eligible to re-enroll for coverage until 90 days after the termination. This means that the Employer Group will be required to reapply as if a new Employer Group and will be subject to pre-existing condition exclusion limitations, maternity cap, and the first year medical cap for each Member of the Group. All benefit limitations, deductibles, and/or pre-existing condition exclusion waiting periods will be reset.

My business was insured until 2 months ago when our commercial insurance company discontinued the health plan we selected. Are we subject to the bare period?

No. If your business had commercial coverage and the accountable health plan discontinues offering the health plan of which the employer is a member, the bare period does not have to be met by the employer.